

§ 97.622, the Administrator will notify the authorized account representatives of both accounts subject to the transfer of:

- (1) A decision not to record the transfer, and
- (2) The reasons for such non-recording.

§ 97.624 Compliance with TR SO₂ Group 1 emissions limitation.

(a) *Availability for deduction for compliance.* TR SO₂ Group 1 allowances are available to be deducted for compliance with a source's TR SO₂ Group 1 emissions limitation for a control period in a given year only if the TR SO₂ Group 1 allowances:

- (1) Were allocated for such control period or a control period in a prior year; and
- (2) Are held in the source's compliance account as of the allowance transfer deadline for such control period.

(b) *Deductions for compliance.* After the recordation, in accordance with § 97.623, of TR SO₂ Group 1 allowance transfers submitted by the allowance transfer deadline for a control period in a given year, the Administrator will deduct from each source's compliance account TR SO₂ Group 1 allowances available under paragraph (a) of this section in order to determine whether the source meets the TR SO₂ Group 1 emissions limitation for such control period, as follows:

- (1) Until the amount of TR SO₂ Group 1 allowances deducted equals the number of tons of total SO₂ emissions from all TR SO₂ Group 1 units at the source for such control period; or

- (2) If there are insufficient TR SO₂ Group 1 allowances to complete the deductions in paragraph (b)(1) of this section, until no more TR SO₂ Group 1 allowances available under paragraph (a) of this section remain in the compliance account.

(c)(1) *Identification of TR SO₂ Group 1 allowances by serial number.* The authorized account representative for a source's compliance account may request that specific TR SO₂ Group 1 allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in a given year in accordance with paragraph (b) or (d) of

this section. In order to be complete, such request shall be submitted to the Administrator by the allowance transfer deadline for such control period and include, in a format prescribed by the Administrator, the identification of the TR SO₂ Group 1 source and the appropriate serial numbers.

(2) *First-in, first-out.* The Administrator will deduct TR SO₂ Group 1 allowances under paragraph (b) or (d) of this section from the source's compliance account in accordance with a complete request under paragraph (c)(1) of this section or, in the absence of such request or in the case of identification of an insufficient amount of TR SO₂ Group 1 allowances in such request, on a first-in, first-out accounting basis in the following order:

- (i) Any TR SO₂ Group 1 allowances that were allocated to the units at the source and not transferred out of the compliance account, in the order of recordation; and then

- (ii) Any TR SO₂ Group 1 allowances that were allocated to any unit and transferred to and recorded in the compliance account pursuant to this subpart, in the order of recordation.

(d) *Deductions for excess emissions.* After making the deductions for compliance under paragraph (b) of this section for a control period in a year in which the TR SO₂ Group 1 source has excess emissions, the Administrator will deduct from the source's compliance account an amount of TR SO₂ Group 1 allowances, allocated for a control period in a prior year or the control period in the year of the excess emissions or in the immediately following year, equal to two times the number of tons of the source's excess emissions.

(e) *Recordation of deductions.* The Administrator will record in the appropriate compliance account all deductions from such an account under paragraphs (b) and (d) of this section.

§ 97.625 Compliance with TR SO₂ Group 1 assurance provisions.

(a) *Availability for deduction.* TR SO₂ Group 1 allowances are available to be deducted for compliance with the TR SO₂ Group 1 assurance provisions for a control period in a given year by the owners and operators of a group of one

or more TR SO₂ Group 1 sources and units in a State (and Indian country within the borders of such State) only if the TR SO₂ Group 1 allowances:

(1) Were allocated for a control period in a prior year or the control period in the given year or in the immediately following year; and

(2) Are held in the assurance account, established by the Administrator for such owners and operators of such group of TR SO₂ Group 1 sources and units in such State (and Indian country within the borders of such State) under paragraph (b)(3) of this section, as of the deadline established in paragraph (b)(4) of this section.

(b) *Deductions for compliance.* The Administrator will deduct TR SO₂ Group 1 allowances available under paragraph (a) of this section for compliance with the TR SO₂ Group 1 assurance provisions for a State for a control period in a given year in accordance with the following procedures:

(1) By June 1, 2015 and June 1 of each year thereafter, the Administrator will:

(i) Calculate, for each State (and Indian country within the borders of such State), the total SO₂ emissions from all TR SO₂ Group 1 units at TR SO₂ Group 1 sources in the State (and Indian country within the borders of such State) during the control period in the year before the year of this calculation deadline and the amount, if any, by which such total SO₂ emissions exceed the State assurance level as described in § 97.606(c)(2)(iii); and

(ii) Promulgate a notice of data availability of the results of the calculations required in paragraph (b)(1)(i) of this section, including separate calculations of the SO₂ emissions from each TR SO₂ Group 1 source.

(2) For each notice of data availability required in paragraph (b)(1)(ii) of this section and for any State (and Indian country within the borders of such State) identified in such notice as having TR SO₂ Group 1 units with total SO₂ emissions exceeding the State assurance level for a control period in a given year, as described in § 97.606(c)(2)(iii):

(i) By July 1 immediately after the promulgation of such notice, the designated representative of each TR SO₂

Group 1 source in each such State (and Indian country within the borders of such State) shall submit a statement, in a format prescribed by the Administrator, providing for each TR SO₂ Group 1 unit (if any) at the source that operates during, but is not allocated an amount of TR SO₂ Group 1 allowances for, such control period, the unit's allowable SO₂ emission rate for such control period and, if such rate is expressed in lb per mmBtu, the unit's heat rate.

(ii) By August 1 immediately after the promulgation of such notice, the Administrator will calculate, for each such State (and Indian country within the borders of such State) and such control period and each common designated representative for such control period for a group of one or more TR SO₂ Group 1 sources and units in the State (and Indian country within the borders of such State), the common designated representative's share of the total SO₂ emissions from all TR SO₂ Group 1 units at TR SO₂ Group 1 sources in the State (and Indian country within the borders of such State), the common designated representative's assurance level, and the amount (if any) of TR SO₂ Group 1 allowances that the owners and operators of such group of sources and units must hold in accordance with the calculation formula in § 97.606(c)(2)(i) and will promulgate a notice of data availability of the results of these calculations.

(iii) The Administrator will provide an opportunity for submission of objections to the calculations referenced by the notice of data availability required in paragraph (b)(2)(ii) of this section and the calculations referenced by the relevant notice of data availability required in paragraph (b)(1)(i) of this section.

(A) Objections shall be submitted by the deadline specified in such notice and shall be limited to addressing whether the calculations referenced in the relevant notice required under paragraph (b)(1)(ii) of this section and referenced in the notice required under paragraph (b)(2)(ii) of this section are in accordance with § 97.606(c)(2)(iii), §§ 97.606(b) and 97.630 through 97.635, the

definitions of “common designated representative”, “common designated representative’s assurance level”, and “common designated representative’s share” in § 97.602, and the calculation formula in § 97.606(c)(2)(i).

(B) The Administrator will adjust the calculations to the extent necessary to ensure that they are in accordance with the provisions referenced in paragraph (b)(2)(iii)(A) of this section. By October 1 immediately after the promulgation of such notice, the Administrator will promulgate a notice of data availability of any adjustments that the Administrator determines to be necessary and the reasons for accepting or rejecting any objections submitted in accordance with paragraph (b)(2)(iii)(A) of this section.

(3) For any State (and Indian country within the borders of such State) referenced in each notice of data availability required in paragraph (b)(2)(iii)(B) of this section as having TR SO₂ Group 1 units with total SO₂ emissions exceeding the State assurance level for a control period in a given year, the Administrator will establish one assurance account for each set of owners and operators referenced, in the notice of data availability required under paragraph (b)(2)(iii)(B) of this section, as all of the owners and operators of a group of TR SO₂ Group 1 sources and units in the State (and Indian country within the borders of such State) having a common designated representative for such control period and as being required to hold TR SO₂ Group 1 allowances.

(4)(i) As of midnight of November 1 immediately after the promulgation of each notice of data availability required in paragraph (b)(2)(iii)(B) of this section, the owners and operators described in paragraph (b)(3) of this section shall hold in the assurance account established for them and for the appropriate TR SO₂ Group 1 sources, TR SO₂ Group 1 units, and State (and Indian country within the borders of such State) under paragraph (b)(3) of this section a total amount of TR SO₂ Group 1 allowances, available for deduction under paragraph (a) of this section, equal to the amount such owners and operators are required to hold with regard to such sources, units and State

(and Indian country within the borders of such State) as calculated by the Administrator and referenced in such notice.

(ii) Notwithstanding the allowance-holding deadline specified in paragraph (b)(4)(i) of this section, if November 1 is not a business day, then such allowance-holding deadline shall be midnight of the first business day thereafter.

(5) After November 1 (or the date described in paragraph (b)(4)(ii) of this section) immediately after the promulgation of each notice of data availability required in paragraph (b)(2)(iii)(B) of this section and after the recordation, in accordance with § 97.623, of TR SO₂ Group 1 allowance transfers submitted by midnight of such date, the Administrator will determine whether the owners and operators described in paragraph (b)(3) of this section hold, in the assurance account for the appropriate TR SO₂ Group 1 sources, TR SO₂ Group 1 units, and State (and Indian country within the borders of such State) established under paragraph (b)(3) of this section, the amount of TR SO₂ Group 1 allowances available under paragraph (a) of this section that the owners and operators are required to hold with regard to such sources, units, and State (and Indian country within the borders of such State) as calculated by the Administrator and referenced in the notice required in paragraph (b)(2)(iii)(B) of this section.

(6) Notwithstanding any other provision of this subpart and any revision, made by or submitted to the Administrator after the promulgation of the notice of data availability required in paragraph (b)(2)(iii)(B) of this section for a control period in a given year, of any data used in making the calculations referenced in such notice, the amounts of TR SO₂ Group 1 allowances that the owners and operators are required to hold in accordance with § 97.606(c)(2)(i) for such control period shall continue to be such amounts as calculated by the Administrator and referenced in such notice required in paragraph (b)(2)(iii)(B) of this section, except as follows:

(i) If any such data are revised by the Administrator as a result of a decision

in or settlement of litigation concerning such data on appeal under part 78 of this chapter of such notice, or on appeal under section 307 of the Clean Air Act of a decision rendered under part 78 of this chapter on appeal of such notice, then the Administrator will use the data as so revised to recalculate the amounts of TR SO₂ Group 1 allowances that owners and operators are required to hold in accordance with the calculation formula in § 97.606(c)(2)(i) for such control period with regard to the TR SO₂ Group 1 sources, TR SO₂ Group 1 units, and State (and Indian country within the borders of such State) involved, provided that such litigation under part 78 of this chapter, or the proceeding under part 78 of this chapter that resulted in the decision appealed in such litigation under section 307 of the Clean Air Act, was initiated no later than 30 days after promulgation of such notice required in paragraph (b)(2)(iii)(B) of this section.

(ii) If any such data are revised by the owners and operators of a TR SO₂ Group 1 source and TR SO₂ Group 1 unit whose designated representative submitted such data under paragraph (b)(2)(i) of this section, as a result of a decision in or settlement of litigation concerning such submission, then the Administrator will use the data as so revised to recalculate the amounts of TR SO₂ Group 1 allowances that owners and operators are required to hold in accordance with the calculation formula in § 97.606(c)(2)(i) for such control period with regard to the TR SO₂ Group 1 sources, TR SO₂ Group 1 units, and State (and Indian country within the borders of such State) involved, provided that such litigation was initiated no later than 30 days after promulgation of such notice required in paragraph (b)(2)(iii)(B) of this section.

(iii) If the revised data are used to recalculate, in accordance with paragraphs (b)(6)(i) and (ii) of this section, the amount of TR SO₂ Group 1 allowances that the owners and operators are required to hold for such control period with regard to the TR SO₂ Group 1 sources, TR SO₂ Group 1 units, and State (and Indian country within the borders of such State) involved—

(A) Where the amount of TR SO₂ Group 1 allowances that the owners and operators are required to hold increases as a result of the use of all such revised data, the Administrator will establish a new, reasonable deadline on which the owners and operators shall hold the additional amount of TR SO₂ Group 1 allowances in the assurance account established by the Administrator for the appropriate TR SO₂ Group 1 sources, TR SO₂ Group 1 units, and State (and Indian country within the borders of such State) under paragraph (b)(3) of this section. The owners' and operators' failure to hold such additional amount, as required, before the new deadline shall not be a violation of the Clean Air Act. The owners' and operators' failure to hold such additional amount, as required, as of the new deadline shall be a violation of the Clean Air Act. Each TR SO₂ Group 1 allowance that the owners and operators fail to hold as required as of the new deadline, and each day in such control period, shall be a separate violation of the Clean Air Act.

(B) For the owners and operators for which the amount of TR SO₂ Group 1 allowances required to be held decreases as a result of the use of all such revised data, the Administrator will record, in all accounts from which TR SO₂ Group 1 allowances were transferred by such owners and operators for such control period to the assurance account established by the Administrator for the appropriate TR SO₂ Group 1 sources, TR SO₂ Group 1 units, and State (and Indian country within the borders of such State) under paragraph (b)(3) of this section, a total amount of the TR SO₂ Group 1 allowances held in such assurance account equal to the amount of the decrease. If TR SO₂ Group 1 allowances were transferred to such assurance account from more than one account, the amount of TR SO₂ Group 1 allowances recorded in each such transferor account will be in proportion to the percentage of the total amount of TR SO₂ Group 1 allowances transferred to such assurance account for such control period from such transferor account.

(C) Each TR SO₂ Group 1 allowance held under paragraph (b)(6)(iii)(A) of this section as a result of recalculation

of requirements under the TR SO₂ Group 1 assurance provisions for such control period must be a TR SO₂ Group 1 allowance allocated for a control period in a year before or the year immediately following, or in the same year as, the year of such control period.

[76 FR 48432, Aug. 8, 2011, as amended at 77 FR 10340, Feb. 21, 2012]

§ 97.626 Banking.

(a) A TR SO₂ Group 1 allowance may be banked for future use or transfer in a compliance account or a general account in accordance with paragraph (b) of this section.

(b) Any TR SO₂ Group 1 allowance that is held in a compliance account or a general account will remain in such account unless and until the TR SO₂ Group 1 allowance is deducted or transferred under § 97.611(c), § 97.623, § 97.624, § 97.625, § 97.627, or § 97.628.

§ 97.627 Account error.

The Administrator may, at his or her sole discretion and on his or her own motion, correct any error in any Allowance Management System account. Within 10 business days of making such correction, the Administrator will notify the authorized account representative for the account.

§ 97.628 Administrator's action on submissions.

(a) The Administrator may review and conduct independent audits concerning any submission under the TR SO₂ Group 1 Trading Program and make appropriate adjustments of the information in the submission.

(b) The Administrator may deduct TR SO₂ Group 1 allowances from or transfer TR SO₂ Group 1 allowances to a compliance account or an assurance account, based on the information in a submission, as adjusted under paragraph (a)(1) of this section, and record such deductions and transfers.

§ 97.629 [Reserved]

§ 97.630 General monitoring, record-keeping, and reporting requirements.

The owners and operators, and to the extent applicable, the designated representative, of a TR SO₂ Group 1 unit,

shall comply with the monitoring, recordkeeping, and reporting requirements as provided in this subpart and subparts F and G of part 75 of this chapter. For purposes of applying such requirements, the definitions in § 97.602 and in § 72.2 of this chapter shall apply, the terms “affected unit,” “designated representative,” and “continuous emission monitoring system” (or “CEMS”) in part 75 of this chapter shall be deemed to refer to the terms “TR SO₂ Group 1 unit,” “designated representative,” and “continuous emission monitoring system” (or “CEMS”) respectively as defined in § 97.602, and the term “newly affected unit” shall be deemed to mean “newly affected TR SO₂ Group 1 unit”. The owner or operator of a unit that is not a TR SO₂ Group 1 unit but that is monitored under § 75.16(b)(2) of this chapter shall comply with the same monitoring, recordkeeping, and reporting requirements as a TR SO₂ Group 1 unit.

(a) *Requirements for installation, certification, and data accounting.* The owner or operator of each TR SO₂ Group 1 unit shall:

(1) Install all monitoring systems required under this subpart for monitoring SO₂ mass emissions and individual unit heat input (including all systems required to monitor SO₂ concentration, stack gas moisture content, stack gas flow rate, CO₂ or O₂ concentration, and fuel flow rate, as applicable, in accordance with §§ 75.11 and 75.16 of this chapter);

(2) Successfully complete all certification tests required under § 97.631 and meet all other requirements of this subpart and part 75 of this chapter applicable to the monitoring systems under paragraph (a)(1) of this section; and

(3) Record, report, and quality-assure the data from the monitoring systems under paragraph (a)(1) of this section.

(b) *Compliance deadlines.* Except as provided in paragraph (e) of this section, the owner or operator shall meet the monitoring system certification and other requirements of paragraphs (a)(1) and (2) of this section on or before the following dates and shall record, report, and quality-assure the data from the monitoring systems